AsiaBaseMetals Inc.

Management Discussion and Analysis

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Introduction

This Management Discussion and Analysis ("MD&A") of AsiaBaseMetals Inc. (the "Company") has been prepared by management as of December 17, 2014 and should be read in conjunction with the financial statements and related notes thereto of the Company for the year ended on September 30, 2014, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures are expressed in Canadian dollars unless otherwise stated. These documents and additional information on the Corporation are available on the Company's website at www.asiabasemetals.com or on SEDAR at www.sedar.com.

Forward-looking Statements

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information"). In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations or the negative of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1. Executive Summary

AsiaBaseMetals Inc. ("the Company") is a growth company focused on the exploration and development of zinc and base metals. The Company has a project in British Columbia, Canada – the Gnome zinc project.

The Gnome zinc project has land claims that encompass 5,429 hectares and are located strategically in the heart of an area home to some of Canada's important zinc deposits and the focus of much past exploration. The Gnome project lies 70 km SE from the Cirque Zn-Pb-Ag deposit and 46 km SE along trend from the Akie Zn-Pb-Ag deposit, all of which are in the Kechika trough, a geological belt northeast of Williston Lake containing these and other sediment-hosted Zn-Pb-Ag prospects along trend. These deposits and prospects were discovered in the heyday of northern British Columba Zn-Pb-Ag exploration during the late 1970's and early 1980's.

Work on the Gnome project to date includes mapping and sampling during the 1970's and recent work by the Company. The Company conducted an exploration program during fiscal 2012 and completed the program early fiscal 2013. The Company prepared an updated geological report and is evaluating and assessing the data obtained from the program to determine the next course of action.

In addition to advancing the Gnome property, the Company is focused on identifying, acquiring and developing copper and other base and precious-metal properties in Asia, and North and South America.

On August 25, 2014, the Company entered into an option agreement to acquire a 100% interest in the Jean Ore Project ("Jean project") from Great Lakes Resources Ltd. ("Great Lakes"). Subsequent to year ended September 30, 2014, on November 12, 2014, the Company received the acceptance of the option agreement from the TSX Venture Exchange ("TSX-V"). Option terms for the Jean project are detailed in section *7 - Off-Balance Sheet Arrangements and Commitments*.

2. Highlights for the year ended September 30, 2014

For the year ended September 30, 2014, the Company incurred a comprehensive loss of $246,455 and had an accumulated deficit of $1,801,444. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company's cash position at September 30, 2014 was $123,277.

3. Selected Annual Information

The Company's fiscal year end is September 30. Selected annual information presented as follows:

	September 30, 2014	September 30, 2013	September 30, 2012
Total revenues	$Nil	$Nil	$Nil
Loss for the year	$(246,455)	$(212,504)	$(490,759)
Loss per share	$(0.00)	$(0.00)	$(0.01)
Total assets	$166,467	$195,394	$428,468
Total long term liabilities	$Nil	$Nil	$Nil

4. Results of Operations

The following is a summary of the total project costs to date for the Gnome zinc project:

	Acquisition Costs	Project Costs	Total
Balance as of September 30, 2013	29,276	380,064	409,340
Year ended September 30, 2014	-	1,863	1,863
Balance as of September 30, 2014	29,276	381,927	411,203

During the year ended September 30, 2014:

- Exploration costs increased $5,321 from a recovery of $3,458 during the year ended September 30, 2013 to an expense of $1,863 during the year ended September 30, 2014. The Company assesses the Gnome property to determine the next course of action. The recovery in the prior year was related to receipt of the BC Mining Exploration Tax Credit.
- Management fees decreased $66,767 from $120,000 during the year ended September 30, 2013 to $53,233 during the year ended September 30, 2014 primarily due to the former CEO resignation in March 2014. A nominal amount for services rendered is paid to the current interim CEO.
- Professional fees increased $2,115 from $28,448 during the year ended September 30, 2013 to $30,563 during the year ended September 30, 2014 as a result of higher legal fees in connection with pursuing new exploration opportunities.
- Regulatory and transfer agent fees decreased $2,763 from $16,323 during the year ended September 30, 2013 to $13,560 during the year ended September 30, 2014 primarily due to reduction in agency service fees.
- The former CEO of the company was granted a separation payment of $60,000 and $20,000 is outstanding as at September 30, 2014 (2013 - $nil).
- Travel costs increased $27,407 from $895 during the year ended September 30, 2013 to $28,302 during the year ended September 30, 2014 primarily due to travel expenses related to the identification of new exploration opportunities.

5. Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for the last eight reported quarters:

Quarter Ended	Total Revenues	Comprehensive Loss for the Period	Basic and Diluted Loss Per Share
December 31, 2012	$Nil	$ (79,534)	$(0.00)
March 31, 2013	$Nil	$ (54,445)	$(0.00)
June 30, 2013	$Nil	$ (44,408)	$(0.00)
September 30, 2013	$Nil	$ (34,117)	$(0.00)
December 31, 2013	$Nil	$ (88,527)	$(0.00)
March 31, 2014	$Nil	$ (116,058)	$(0.00)
June 30, 214	$Nil	$ (25,471)	$(0.00)
September 30, 2014	$Nil	$ (16,399)	$(0.00)

6. Liquidity and Capital Resources

As at September 30, 2014, the Company reported working capital of $104,952. Net decrease in cash for the year ended September 30, 2014 was $23,442 leaving cash on hand in the amount of $123,277.

Current assets excluding cash at September 30, 2014 consist of amounts receivable of $414 and prepaid expense of $13,500.

Current liabilities as at September 30, 2014 consist of accounts payable and accrued liabilities of $32,239.

7. Off-Balance Sheet Arrangements and Commitments

Subsequent to year end September 30, 2014, the Company received the acceptance of the Jean property option agreement from TSX-V.

The Jean Property is an iron ore exploration property located in the Thunder Bay Mining District of Northwestern Ontario, Canada. It is comprised of 17 claims totaling 1,824 hectares and is located approximately 65 kilometres to the southwest of Thunder Bay, approximately 2 kilometres north of the Whitefish Lake on Highway 588.

The Company may earn a 100% interest in the Jean project by:

a. issuing to Great Lakes a total of 1,600,000 common shares of AsiaBaseMetals as follows:
    i. 50,000 shares within two business days of TSX-V acceptance (issued on November 13, 2014);
    ii. 50,000 shares on or before November 30, 2015;
    iii. 500,000 shares on or before the later of: (A) the date of completion of a second NI 43-101 compliant technical report on the Project addressed to AsiaBaseMetals (the "Technical Report Date"), and (B) March 31, 2017
    iv. 500,000 shares on or before the commencement of a drilling program of over $100,000 on the Project (the "Drilling Date"); and
    v. 500,000 shares on or before the date of completion of a NI 43-101 compliant technical report on the Project containing a resource estimate of over 100,000,000 (one hundred million) tonnes (the "Resource Estimate Date");

b. making cash payments to Great Lakes totalling $300,000 as follows:
    i. $100,000 on or before the later of: (A) the Technical Report Date; and (B) March 31, 2017;
    ii. $100,000 on or before the Drilling Date; and
    iii. $100,000 on or before the Resource Estimate Date;

c. incurring at least $160,000 in Expenditures on the Project as follows:
    i. $10,000 on or before March 31, 2015;
    ii. $50,000 on or before September 30, 2015; and
    iii. $100,000 on or before September 30, 2016;

Any Expenditures incurred in excess of the requirements for any period set out above will be credited against the requirements of the next succeeding period and any shortfall in such Expenditures can be made up with a cash payment in lieu of work.

Great Lakes will retain a 2% net smelter returns royalty from commercial production of mineral products from the Project. The Company will be entitled to purchase ½ of the royalty (1%) for $2,000,000.

8. Transactions with Related Parties

As at September 30, 2014, the Company did not have any related party transactions as Tintina Resources Inc. ceased to be a related party.

Key management personnel compensation:

The remuneration of directors and officers of the Company is as follows:

		2014		2013
Management fees	$	53,233	$	120,000
Separation payment		60,000		-
Total remuneration	$	113,233	$	120,000

Key management personnel receive compensation in the form of short-term employee benefits, share-based payments, separation payment, and post-employment benefits. Short-term benefits include management fees paid to the former CEO and the new interim CEO of the Company for their services in their roles.

During the year ended September 30, 2014, the Company paid $40,000 of the separation payment to the former CEO of the Company. As at September 30, 2014, $20,000 of the separation payment remains in accounts payable and accrued liabilities. No post-employment benefits were paid to key management personnel.

9. Significant Accounting Estimates and Judgments

The preparation of the Company's financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include deferred income taxes, assessment of decommissioning provision and assessment of impairment of exploration and evaluation assets.

(i) Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

9. Significant Accounting Estimates and Judgments (continued)

(i) Impairment (continued)

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective or assessments with a significant risk of material adjustment in the next year.

(ii) Going Concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 2(c) of financial statements.

10. Changes in Accounting Policies

i) Adoption of new or amended accounting standards

On October 1, 2013, the Company adopted the following new accounting standards that were previously issued by the IASB:

IFRS 7 – *Financial Instruments: Disclosures*

Amendment to IFRS 7 requires entities to provide additional information about offsetting of financial assets and financial liabilities that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognized financial assets and recognized financial liabilities, on the entity's financial position. The adoption of this IFRS did not impact the Company's financial statements.

IFRS 10 – *Consolidated Financial Statements*

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 provides definition of control, focusing on the need to have power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. The Company applied IFRS 10 at October 1, 2013, and did not have an impact on the financial statements. Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture were issued in September 2014 (ii. New accounting standards issued but not yet effective).

10. Changes in Accounting Policies (continued)

i) Adoption of new or amended accounting standards (continued)

IFRS 11 – *Joint Arrangements*

The amendments of IFRS 11 reduce the types of joint arrangements to either joint ventures or joint operations. IFRS 11 requires the use of equity accounting for interests in joint ventures, eliminating the existing choice of proportionate consolidation for jointly controlled entities. Joint operations are arrangements where the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. The Company applied IFRS 11 at October 1, 2013, and did not have an impact on the financial statements as the Company does not have any joint arrangements. An amendment to IFRS 11 was issued in May 2014 regarding the accounting for acquisitions of an interest in a joint operation (ii. New accounting standards issued but not yet effective).

IFRS 12 – *Disclosure of Interests in Other Entities*

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The Company applied IFRS 12 at October 1, 2013, and did not have an impact on the financial statements as the Company does not currently have any interests in other entities.

IFRS 13 – *Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements to improve consistency and to reduce complexity by providing a precise definition of fair value and disclosure requirements. The full disclosure requirement of IFRS 13 is incorporated in Note 12 of the Financial Statements for the years ended September 30, 2014 and 2013.

IAS 1 – *Presentation of Financial Statements*

Amendment to IAS 1 requires entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be recycled to net income in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately including prior year comparatives. The adoption of this IFRS did not impact the Company's financial statements.

IFRIC 20 – *Stripping Costs in the Production Phase of a Surface Mine*

IFRIC 20 addresses the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. Stripping activity may result in two types of benefits: i) inventory produced and ii) improved access to ore that will be mined in the future. Stripping costs associated with inventory production should be accounted for as a current production cost in accordance with IAS 2 Inventories, and those associated with improved access to ore should be accounted for as an addition to, or enhancement of, an existing asset. The Company applied IFRIC 20 at October 1, 2013, and did not have an impact on the financial statements as the Company is not yet in production phase.

10. Changes in Accounting Policies (continued)

ii) New accounting standards issued but not yet effective

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

New accounting standards effective for annual periods on or after October 1, 2014:

IAS 32 – *Financial Instruments: Presentation*

In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

IAS 36 – *Impairment of Assets*

In May 2013, the IASB, as a consequential amendment to IFRS 13 *Fair Value Measurement*, modified some of the disclosure requirements in IAS 36 regarding measurement of the recoverable amount of impaired assets. The amendments resulted from the IASB's decision in December 2010 to require additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal.

IAS 39 – *Financial Instruments: Recognition and Measurement*

In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met.

IFRIC 21 – *Levies*

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

New accounting standards effective for annual periods on or after October 1, 2016:

IFRS 10 – *Consolidated Financial Statements*

In September 2014, amendments to IFRS 10 were issued to provide guidance on recognising gains and losses from the loss control of a subsidiary in the parent's profit or loss.

IFRS 11 – *Joint Arrangements*

In May 2014, an amendment to IFRS 11 was issued addressing guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendment now specifies the appropriate accounting treatment for such acquisitions and requires applying the principles in IFRS 3 – *Business Combinations,* when acquiring an interest in a joint operation that constitutes a business.

10. Changes in Accounting Policies (continued)

ii) New accounting standards issued but not yet effective (continued)

New accounting standards effective for annual periods on or after October 1, 2018:

IFRS 9 – *Financial Instruments*

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

11. Financial Instruments and Other Instruments

Financial Instruments and Fair Value Measurements

IFRS 13 – *Fair Value Measurement*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2014 as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Cash and cash equivalents	$ 123,277	$ –	$ –	$ 123,277

11. Financial Instruments and Other Instruments (continued)

Financial Risk

(i) Credit Risk

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is primarily attributable to its cash. The Company limits its exposure to credit loss for cash by placing such instruments with financial institutions.

As at September 30, 2014, the Company's maximum exposure to credit risk is the carrying value of cash of $123,277.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at September 30, 2014, the Company had working capital of $104,952. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

As at September 30, 2014, the Company has adequate working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk

In management's opinion, the Company's interest rate risk is minimal as the Company does not have any bank indebtedness or loans payable that bear interest at fixed or variable rates.

(iv) Foreign Currency Risk

The Company is exposed to currency fluctuations in the acquisition of foreign currencies. The Company holds balance in cash in foreign currencies (US dollars) and is therefore exposed to gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

(v) Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities.

12. Business Operations

The Company was incorporated on August 11, 2009 under the laws of British Columbia. The Company's principal business activities include the acquisition, exploration and development of resource property. The address of the Company's corporate office is Suite 2560-200 Granville Street, Vancouver, British Columbia, V6C 1S4, Canada.

At September 30, 2014, the Company had not yet determined whether its property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition of the resource property.

13. Outstanding Share Data

Summary of Outstanding Share Data at December 17, 2014:

i) Authorized:
Unlimited common shares without par value

Issued and outstanding:
77,200,892 common shares

ii) Stock options outstanding: 1,545,000

iii) Warrants outstanding: Nil

14. Disclosure Controls

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the year ended September 30, 2014, in accordance with IFRS.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at September 30, 2014. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the design and operations of these controls and procedures were effective.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com. The shareholders will be kept informed of any material changes.

15. Subsequent Event

On November 12, 2014, the Company received the acceptance of the Jean Property option agreement from TSX-V. Pursuant to the option agreement, the Company issued 50,000 common shares to Great Lakes on November 13, 2014.

Further information regarding the Jean Property is disclosed in the Company's news release dated August 26, 2014, which is available on SEDAR website.